



Department of Virginia Housing and Community Development

IRF How-To-Apply
FY24 ARPA Grant Cycle

April 27, 2023 Webinar



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

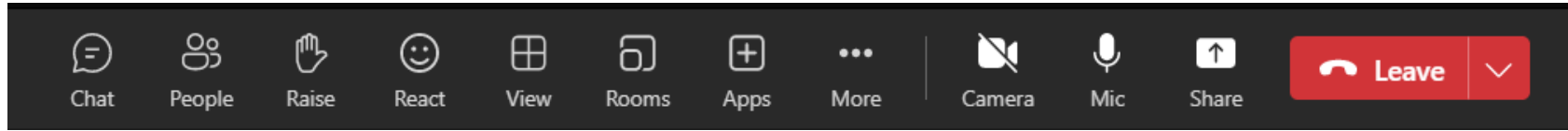


Welcome!

- Please mute yourself
- This huddle is being recorded
- Use the Chat feature for questions



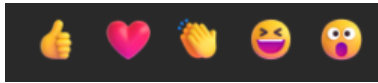
Microsoft Teams



Chat

Attendees

Ask a
Question



Settings

Turn
camera
on or off

Turn
microphone
on or off

Leave
meeting



INDUSTRIAL REVITALIZATION FUND FY24 ARPA

AGENDA

IRF / ARPA OVERVIEW
ELIGIBLE APPLICANTS
SCORING & AWARDS
APPLICATIONS
QUESTION & ANSWER



INDUSTRIAL REVITALIZATION FUND

The intent of the IRF program is to fund **shovel-ready projects** that will act as a catalyst to **spark additional private investment and job creation** in distressed areas that have been targeted for economic development and community revitalization as part of a larger economic restructuring or economic development strategy.

SINCE ITS INCEPTION IN 2012,
THE IRF PROGRAM HAS



Assisted 47 projects
across Virginia



Generating over
\$136 million in public
& private investment



Resulting in the creation
of more than 525 jobs



American Rescue Plan Act (ARPA) Snapshot



WHAT : Funding for the rehabilitation of large-scale derelict structures no longer suited for their original purpose; funding in response to the COVID-19 pandemic

WHY : To catalyze revitalization by eliminating blight through market-driven redevelopment **and** help assist small businesses and local economies recover from pandemic-related hardships

HOW : Grants or Loans of up to \$5,000,000 with a 1:1 match only required for awards over \$1,000,000

WHEN : Funding available in two rounds in FY24

WHO : Local Government applicants (can be on behalf of non-profit or for-profit)



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities



Updates to the IRF Program

The success of the IRF program over the past ten years, as well as the need to support COVID-impacted industries, communities, and people, has led to additional funding through the **American Rescue Plan Act**.

ARPA Results to Date:

- 42 planning grants funded totaling nearly \$2.3 million
- 15 implementation projects totaling over \$23.2 million



ARPA Expanded Program



FY24 TIMELINE

Earlier this year we had a funding round that focused on Planning Grants for the IRF Program. Those are now underway. Our first FY 2024 round with **up to \$10 million in ARPA funds** begins on **May 1, 2023**. The FY24 ARPA IRF Grant Deadline will be on **June 23, 2023**.



April 27, 2023: IRF ARPA Grant How to Apply Webinar

May 1, 2023: IRF ARPA Grant Applications Open in CAMS

June 23, 2023: IRF ARPA Grant Application Deadline

Summer 2023: IRF ARPA Grant Awards Announced

Summer/Fall 2023: IRF Awardee Contract Negotiations, projects then have 18 months to use IRF funding once contract is signed

September 1, 2023: IRF Grant Applications Open in CAMS

October 28, 2023: IRF Grant Application Deadline





ELIGIBLE PROPERTIES

The program is targeted toward **vacant and deteriorated** properties whose poor condition creates a notion of physical and economic blight in the surrounding area, and often is a deterrent to surrounding development.

For mixed-use properties, as long as **30% of the project is commercial** it is eligible.

ELIGIBLE

- Manufacturing
- Department Stores
- Warehousing
- Theaters
- Mining
- Hotels
- Transportation
- Shopping Centers
- Power Production
- School Buildings



INELIGIBLE

- Solely Residential
- Greenfield Sites



ALLOWABLE ACTIVITIES

The IRF program is flexibly designed so that funds can be used for a wide variety of revitalization and redevelopment activities such as **acquisition, rehabilitation, or repair** (including securing and stabilizing for subsequent reuse) of specific structures, as well as **demolition, removal, and other physical activities**.



Funds may not be used solely for acquisition or demolition unless it can be demonstrated that the **locality has committed other redevelopment funds to the property**, and there is a market-based redevelopment plan outlining reuse options, target markets/niches, and a property marketing strategy including the entity responsible for implementation. Generally, demolition should be used only in circumstances where the size or location of a building precludes any significant redevelopment potential or in cases where there is an imminent safety threat.

Grant administration is not an eligible activity for IRF



ELIGIBLE APPLICANTS

Only **local governments** (cities, counties, or towns), and **regional or local economic or industrial development authorities** may submit applications for IRF Grants.

A unit of local government may apply directly for funding to use on publicly owned property **OR** on behalf of a for-profit or non-profit entity for privately owned property.



Localities may designate a redevelopment authority or another similar organization as an agent for project implementation and administration.

GRANTS



- The property is publicly owned
- The privately owned property has an option agreement or contract in place for purchase by a local government at the time of the application
- The private property is owned by a not-for-profit, tax-exempt entity

LOANS



- The property is owned by a private, for-profit entity & the end-use will be owned by a private, for-profit business
- IRF Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity.



LOCALITY RESPONSIBILITY



A locality may submit **one application** per FY24 funding round; therefore, localities must identify and authorize the projects that will have the most meaningful impact on local community revitalization and economic development efforts.



As such, **a resolution** from the local governing body authorizing the request for funding is an application requirement.

LOAN STRUCTURE

IRF Grant/Loans may be funded as a grant to the applicant local government (or local Development Authority), who will in turn make a loan to the for-profit entity. The following standard terms and conditions will apply to all projects unless DHCD determines that a regionally significant project requires more favorable terms. The terms of the loan must be agreed to by DHCD.

- Interest Rate: 2.5%
- Amortization: Up to 20 Years (negotiated on a project-by-project basis)
- Environmental Review
- DHCD will require an executed performance agreement with the developer



MATCH

To demonstrate project viability and the applicant's commitment, applicants are **required to provide a 100 percent (1:1) local match from private or public sources for any award over \$1,000,000.**

The match must either be cash or documented costs that are **directly associated with the improvements to the property where IRF funds are expended.**

Local match may include federal (CDBG or other), state, local, and private funds spent on activities directly related to the targeted project **within the last full fiscal year (on or after July 1, 2022).**



ELIGIBLE MATCH

- Acquisition costs
- Documented costs directly associated with physical activities on the IRF project site
- Construction-related soft costs such as engineering, design or architectural activities
- Investments into Machinery & Tools
- Public notices, permit or dumping fees and inspections costs (or waivers of such) directly related to physical activities
- No more than five percent (5%) local match will be accepted as in-kind or cash for out-of-pocket administrative costs

INELIGIBLE MATCH

- State or local taxes
- Site remediation
- Interest or principal payments on current debt on the property
- Investments in Business Personal/Tangible Property (Furniture, Fixtures, and Equipment)



FUNDING PRIORITIES

1

Relationship to a local or regional economic development strategy

4

Project with a clear end use

2

High degree of blight and deterioration to be addressed

5

End use has clear & significant community economic impact

3

Project readiness

6

High economic distress in project locality



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities



SCORING

Funds will be allocated through a competitive process that will give greater priority to **shovel-ready** projects leading to the efficient and immediate redevelopment and/or reuse of abandoned “industrial” structures.

Applications will be evaluated according to a scoring system and projects will be selected for funding on the basis of the higher scores in descending order until all funds are allocated. In no case will applications scoring below 70% be approved.

A strong application will be able to document that the project is **ready-to-go, but could not be finished without the injection of the IRF funds.**

The Industrial Revitalization Fund ARPA

Projects seeking IRF ARPA funding must, in addition to being within traditional IRF guidelines, be located in a Qualified Census Tract (QCT) or otherwise address a harm caused by COVID-19 pandemic, or a harm resulting from or exacerbated by the economic disruption caused by the COVID-19 pandemic. Applicants should 1) identify the need created or exacerbated by the pandemic and 2) how their project seeks to remedy that need. Furthermore, these applicants must also attest to how their project will support individuals, communities, or industries that faced disproportionate public health or economic impacts from the COVID-19 pandemic.





SCORING

Relationship to Economic Development Strategy	10%
Readiness	40%
End Use Plans	10%
Economic Impact	20%
Distress	15%
Funding Secured	5%
Total	100%
<i>Other Considerations</i>	5%





APPLICATION PROCESS

1

REGISTER YOUR ORGANIZATION IN CAMS

Applications for IRF funding must be submitted through DHCD's Centralized Application Management System (CAMS).

You can access CAMS using the following link:
<https://dmz1.dhcd.virginia.gov/camsportal/Login.aspx>

A profile request can be made by going to the CAMS site and selecting the **"Registration"** option. In order to register your organization, you will need your organizations DUNS number and FEIN number.

2

START APPLICATION IN CAMS

The IRF application will open in CAMS on **May 1, 2023**.

Once your organization has been registered, you may log in with your username and password and select the **"Applications and Programs"** option. From this page, select the **"Apply"** option and select **"Industrial Revitalization Fund FY24 ARPA"** from the dropdown menu. A description of the program will appear. Click the **"Apply"** button next to the pencil icon to begin an application.

As you complete the application, **be sure to save each page**. You have the option to close out of CAMS and return to the application at any time until the application is submitted or the deadline has passed.

You have until midnight on **Friday, June 23, 2023** to complete your application. Note that DHCD staff will not be available for support after 5PM that day.



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities



PROJECT BUDGET



Complete the **Project Budget** tab and discuss the funding for the proposed project in the budget narrative section. Identify ALL activities that need to be undertaken in order to return the property to a viable economic use. In the case of activities whose costs will be paid for by funds other than IRF, use the “*Other*” category. In the narrative, please list the specific source of non-IRF funds.

Application Submission

Application ID: 33903032016135238Project Name: IRF 2017 - Test [Edit?](#)Program Name: Industrial Revitalization Fund Implementation

Application Start Date: 03/01/2016Application End Date: 05/19/2016Status: Incomplete

Project Information **Project Budget** **Narrative Information** **Attachments** **Additional Information**

[Save This Tab](#)

Project Budget Information

Please enter your Total Request: \$

Cost/Activity Category		DHCD Request	Other Funding	Total
<input type="checkbox"/> Clearance and Demolition	Add Delete	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Building Construction/Renovation	Add Delete	\$0.00	\$0.00	\$0.00
<input type="checkbox"/> Other	Add Delete	\$0.00	\$0.00	\$0.00
TOTAL		\$0.00	\$0.00	\$0.00

Budget Narrative:



PROJECT OVERVIEW

Introduce us to your project!
Please complete the summary
sheet **and provide a brief
description of the project** here.



PROJECT SUMMARY SHEET

Project Name	Rehabilitation of the Carver Hotel
Locality Applying	Town of Kingston
Property Address	262 West Main Street, Kingston, VA 22488
Year Built	1921
Original Use of Property	Hotel
Property Size SF	3,620 SF
Vacant Since	2005
Owner	Town of Kingston
Developer	Waring Mitchell LLC
End User	Mystery Hospitality LLC
Total Project Budget	\$5,350,000
IRF Request (\$600,000 Max)	\$600,000
Intended Use of IRF Funds	For construction and renovation of the hotel rooms, including a new HVAC system, electrical work, roof repairs, and painting
Intended Use of Property	12 room boutique hotel with lobby and café on the ground floor
Approx. # of Jobs to be Created	5 full-time and 10 part-time positions
Current Condition of Property	Visibly derelict, with broken windows, roof collapsing in one corner



Questions Relating to Funding Priority 1

Clear relationship to a local or regional economic development strategy



Development Strategies: Discuss any local or regional economic development strategies or plans and explain how this project ties in with those identified goals & outcomes.

Local Development: Discuss any recent or upcoming public or private investments that will contribute to, or benefit from, the success of this IRF project.





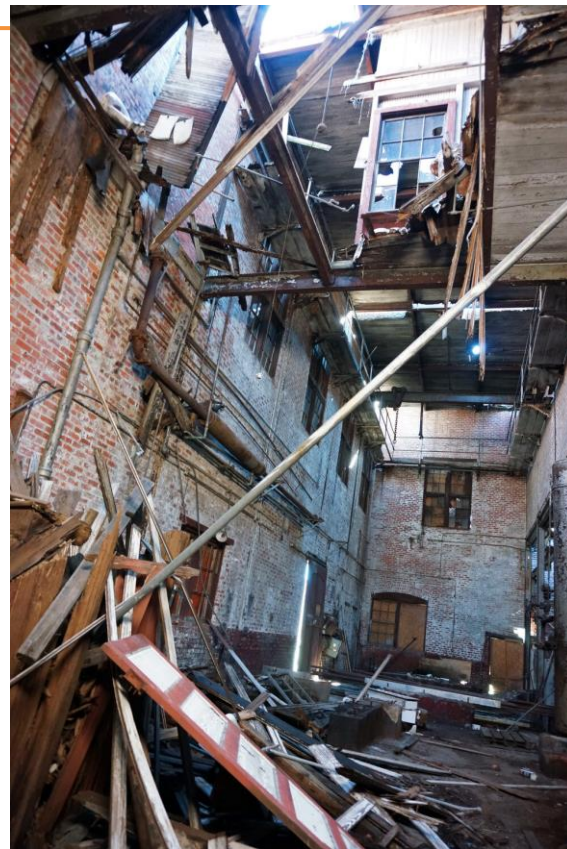
Questions Relating to Funding Priority 2

High degree of blight & deterioration to be addressed



Discuss the rationale for the selection of the targeted property versus other vacant and deteriorated properties in the locality. Why is this project the highest community priority?

Discuss how this property was determined to be blighted and describe the derelict elements of the building. Discuss the negative impact that the property, in its current condition, has had on other investment and job creation in the surrounding area. Include in the attachments photographs of the property to demonstrate the derelict condition of the exterior and interior.





Questions Relating to Funding Priority 3

Project Readiness

List any public or private investments or initiatives during the following timeframes, that have or will contribute to or benefit from the success of the IRF project:

- a. Within the past two years
- b. Currently underway
- c. Within next two years





Questions Relating to Funding Priority 3

Project Readiness

Project Status: Please complete the project status chart. Provide a brief narrative here discussing ownership of the property, what has been done to date and any potential obstacles to completion.



IRF PROJECT STATUS SHEET

Activities Completed So Far to Prepare for Development	
Current Zoning & Any Needed Changes	
Will New Market or Historic Tax Credits Be Used? If so, please provide the status	
Does the Project Require Financing? Please provide summary and status if so.	
Is the Project Design Finalized? What steps remain?	



Questions Relating to Funding Priority 3

Project Readiness

Developer: If a Developer has already been identified, discuss the developer's experience and capacity. If the local government will act as the Developer include similar information. If a Developer has not been identified, discuss the process and timeline for securing one.

Matching Funds: Please complete the matching funds chart and include documentation of all secured matching funds as an attachment.

Describe here why IRF assistance is absolutely necessary to complete the project.



MATCH FUNDING CHART

Source of Match Funding	Amount of Funding	Status of Funding
Town of Kingston Façade Grant	\$60,000	Awarded Fall 2020
DHR Emergency Supplemental Historic Preservation Fund (ESHPP)	\$120,000	Application submitted July 2, 2021, award notification August 20, 2021
Union Bank	\$420,000	Approved loan (commitment letter dated July 20, 2021 attached)
Tobacco Commission	\$75,000	Secured, using for A & E services
TOTAL	\$675,000	



Questions Relating to Funding Priorities 4 & 5

Project with a clear & impactful end use



Discuss the end-use of the property, including evidence of its economic viability. Cite and include relevant sections of market research, pro forma, or other economic viability research. Please include a copy of the end-use business plan, if available.

Discuss how end-users will be recruited and discuss interest or commitments to-date from possible end-users.

Provide the anticipated operating budget once project is stabilized. Discuss how the facility will be managed upon completion.





Questions Relating to Funding Priorities 4 & 5

Project with a clear & impactful end use

Please indicate the **primary community economic impact of this project**, including net new full-time and part-time jobs (not including construction jobs), new businesses, and leveraged private investment.

Please describe the **secondary community economic impact of this project**, such as increased local sales, meals, or lodging tax revenues, increased export or non-export (tourism) revenues, increased daily and/or overnight visitors, and availability of commercial square footage or residential units.

Please describe **any additional impact of this project**, such as access to services or resources, workforce development, and quality of life improvements.





Questions Relating to Funding Priority 6

High economic distress in project locality

Referencing **Appendix D** of the Application Instruction Manual, please list your locality's distress score.

Distress levels are based on Fiscal Stress, Unemployment, and Poverty calculations.

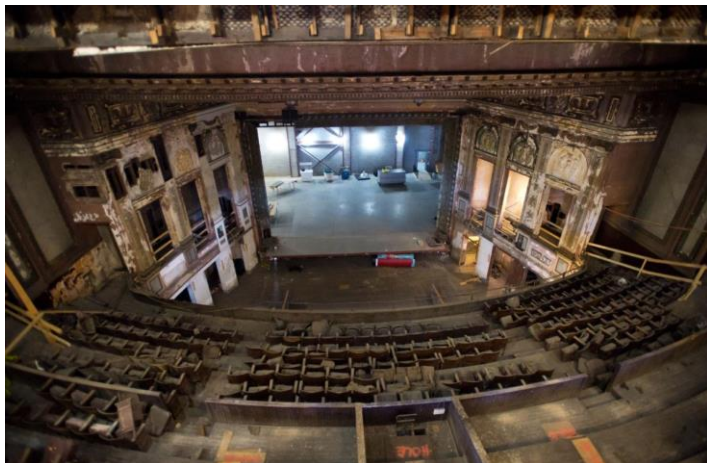
Highly Distressed = 150 Application Points			
Bristol City	Galax City	Lynchburg City	Richmond City
Brunswick County	Greensville County	Martinsville City	Roanoke City
Buchanan County	Hampton City	Newport News City	Sussex County
Covington City	Harrisonburg City	Norfolk City	Williamsburg City
Danville City	Henry County	Norton City	Wise County
Dickenson County	Hopewell City	Petersburg City	
Emporia City	Lee County	Portsmouth County	
Franklin City	Lexington City	Radford City	
Above Average = 100 Application Points			
Accomack County	Charlottesville City	Mecklenburg County	Smyth County
Alleghany County	Colonial Heights City	Montgomery County	Southampton County
Amherst County	Cumberland County	Northampton County	Staunton City
Appomattox County	Dinwiddie County	Nottoway County	Suffolk City
Bland County	Essex County	Page County	Tazewell County
Buckingham County	Fredericksburg City	Patrick County	Washington County
Buena Vista City	Giles County	Pittsylvania County	Waynesboro City
Campbell County	Grayson County	Prince Edward County	Westmoreland County
Carroll County	Halifax County	Pulaski County	Winchester City
Charles City County	Lunenburg County	Russell County	Wythe County
Charlotte County	Manassas Park City	Scott County	



Extra Credit



Complete this chart for potential bonus points



EXTRA CREDIT CHART

Is this project in a revenue sharing district and/or has it been cited in a formal regional development strategy? Please describe.	
Is this project eligible for local real property tax abatement or other local incentives to encourage property reinvestment? Please describe.	
Is this project located within an Enterprise Zone?	
Is this project located in a current CDBG project area?	
Is this project located within a special district? Special districts include: Designated Main Street districts; local, state or federal historic districts; redevelopment or blight removal districts; technology zones; tourism zones; opportunity zones; etc.	
Does your project have committed leverage funding in excess of a 1:1 match? What is the ratio of committed leverage funding to IRF request (total commitment divided by IRF request)?	
Is your project committed to including SWAM certified contractors/sub-contractors through solicitation during the bidding & procurement process?	



ATTACHMENTS

Local Assurances: The *Chief Administrative Officer* for the locality must sign to certify that the information in this application is accurate and correct and that the property meets the eligible definition of “blighted”.

Resolution: The governing body of the locality must authorize the application for Industrial Revitalization Funds for the specific property (address will be sufficient) and documenting the **specific dollar amount in IRF matching funds** from the locality and other sources, if required. If the locality is applying on behalf of a non-profit or private for-profit entity, the resolution should document the specific match amount and indicate that it is the responsibility of that entity to come up with the match, as appropriate.

Photographs: Photos of the entire property, inside and out, to show its current state

Additional Project Info: Pro forma, business plans, etc.



The more information provided at the time of application, the greater the evidence that the project is “ready to proceed.” In addition, the more information provided upfront, the sooner the project can get underway if awarded funding.



Q & A



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

The background of the slide features silhouettes of a family walking away from the viewer. On the left, a man carries a baby in a carrier. In the center, a young girl holds hands with the man and another child. On the right, a woman holds hands with the girl. They are walking on a path that leads towards a horizon with rolling hills under a clear sky.

THANK YOU



**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**
Partners for Better Communities

Contact Us

600 East Main Street, Suite 300

Richmond, VA 23219

804-371-7171

www.dhcd.virginia.gov/irf

realestate@dhcd.virginia.gov